STATE OF IOWA

DEPARTMENT OF COMMERCE

UTILITIES BOARD

IN RE:

UNITED CITIES GAS COMPANY

DOCKET NOS. ECR-96-4

EEP-95-2

ORDER REJECTING RECONCILIATION FILING AND REQUIRING REVISED TARIFFS AND SUPPORTING DOCUMENTATION

(Issued April 5, 2001)

On March 1, 2001, United Cities Gas Company (United Cities) filed with the Utilities Board (Board) its annual reconciliation of energy efficiency cost recovery. In a footnote at page 4 of the filing, United Cities said it intended to request a waiver from continuing its plan as filed in 1995. United Cities' reconciliation filing included the amount of zero for projected contemporaneous energy efficiency costs in 2001.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection on March 20, 2001. Consumer Advocate said that United Cities has not filed a request or received Board approval to discontinue its energy efficiency plan. Consumer Advocate requested that United Cities be ordered to revise its filing to reflect costs consistent with continued implementation of its plan.

The Board has not approved the discontinuance or suspension of United Cities' energy efficiency plan and no such request has been filed with the Board. The Board must approve any significant modification of a previously-approved plan. 199 IAC 35.6(4). Pursuant to the energy efficiency plan approved by the Board on

June 24, 1996, United Cities' budgeted spending for 2001 is \$78,832, with additional amounts for indirect costs, low-income costs, and assessments for the Iowa Energy Center and the Center for Global and Regional Environmental Research. United Cities' reconciliation filing, which eliminates contemporaneous energy efficiency spending, will therefore be rejected. United Cities will also be ordered to file within 15 days of the date of this order revised tariff sheets and supporting documentation that maintain its energy efficiency cost recovery factors at levels consistent with the budget in its approved energy efficiency plan.

IT IS THEREFORE ORDERED:

The annual reconciliation filing of energy efficiency cost recovery filed by
United Cities Gas Company on March 1, 2001, is rejected, and United Cities is
ordered to file revised tariff sheets and supporting documentation within 15 days of
the date of this order containing the information specified in the body of the order.

UTILITIES BOARD

	/s/ Allan T. Thoms
ATTEST:	/s/ Susan J. Frye
/s/ Judi K. Cooper Acting Executive Secretary	/s/ Diane Munns

Dated at Des Moines, Iowa, this 5th day of April, 2001.